




STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES

April 16, 2010

TO: ADSA Staff and Stakeholders

FROM: Kathy Leitch, Assistant Secretary 
Aging and Disability Services Administration

SUBJECT: **Final 2010 Supplemental Budget**

This memo is to provide a summary of the ADSA portion of the 2010 Supplemental Budget just passed by the legislature. It now goes to Governor Gregoire for her signature.

I have listed some highlights below and attached a chart listing most of the budget items that will affect ADSA. Some of the changes will require significant staff effort so I will thank all ADSA employees in advance for their work to meet the implementation deadlines – most of the changes start July 1, 2010.

While painful cuts were made, a combination of additional federal funds, new tax revenues, the use of budget reserves and targeted spending reductions helped preserve essential, core services for the most vulnerable populations ADSA serves. Thanks to strong advocacy on behalf of clients, the legislature maintained eligibility levels, restored some cuts that were originally in the 2009-11 biennial budget, and even made some investments.

The following highlights are in comparison to the original 2009-11 biennial budget:

ADSA-Wide:

- For in-home services, there was partial restoration of the across-the-board reduction in hours that went into effect last July. However, the special add-on hours for people with special meal preparation needs and/or incontinence was eliminated in cases where family and friends are available to help. The net effect is about a 300,000 hour (about one half percent of all service) additional reduction in home care hours.
- A 13 cent per hour (slightly less than one percent) reduction in the rates paid to agency providers of in-home care.
- Money is transferred to ADSA to continue contracting for individual provider registries upon the elimination of the Home Care Quality Authority.
- Partial restoration of Adult Day Health services allows additional enrollment and supports an average of approximately 1,575 clients.



- The budget requires savings by continuing the freeze on state salaries, hiring, equipment, travel and personal services contracts. A plan on how to implement temporary layoffs as well as reduce compensation expenditures of exempt and WMS employees has not been developed. Employees can track information and ask questions on Inside DSHS <http://blogs.dshs.wa.lcl/legislative/?cat=4>.

Related to the portion of the ADSA budget for services for people with developmental disabilities:

- About a one percent across-the-board reduction in operating funds to Residential Habilitation Centers.
- Funding for awards to counties for the Jobs by 21 Partnership is eliminated. We will continue to work with partner agencies such as OSPI and DVR to affect transition curricula and support counties to leverage funding to improve employment outcomes.
- The Infant Toddler Early Intervention Program is transferred to the Department of Early Learning (SHB 2741).
- A number of investments include:
 - ✓ Funding for Expanded Community Residential services, including additional slots for clients aging out of the Juvenile Rehabilitation and Children's Administration, and those who pose a public safety risk. Faster phase-in of clients funded by the 2009-11 biennial budget is also provided.
 - ✓ Additional funds for Employment and Day Services for students leaving high school for both state-only funded and waiver clients including authorization to add some people to the home and community-based service waivers.

Key budget items only affecting Long-Term Care clients:

- Boarding Home license fees will increase from \$79 to \$106 per bed and Nursing Home license fees will increase from \$275 to \$327 per bed. The increases are to cover the cost of providing licensure, regulatory, and re-inspection services by the state. Medicaid rates for publicly-funded beds are increased by approximately \$0.07 per patient per day for boarding homes and approximately \$0.14 per patient per day for nursing homes. This will cover costs associated with higher licensing fees that will begin July 1, 2010.
- A number of rate reductions apply to Nursing Homes effective July 1, 2010. The Legislature restored funding for reductions initially planned for the current fiscal year.
- Funding earmarked for Traumatic Brain Injury programs was reduced by \$1.5 million.

Some proposals the Legislature did not act on include:

- Closure or downsizing of a Residential Habilitation Center.
- Funding for additional DDD Respite Care and State-Operated Living Alternative facilities specifically for serving children.
- Further reductions in home care hours or Medicaid Personal Care eligibility.
- Reductions to the Family Caregiver Support Program and DDD's Individual and Family Support Program.
- Increases in Adult Family Home license fees.
- Reductions to the state-only funded Senior Citizen's Services Act.
- Reductions to health care benefits for home care agencies.

Other areas of interest:

- In HRSA's budget, there are reductions to dental services but no reductions to hospice, physical, occupational and speech therapy, interpreters, vision, hearing, podiatry, and Medicare Part D prescription co-pays.
- The Developmental Disabilities Council will be transferred from the Department of Commerce to the Department of Health.
- The Office of the Long-Term Care Ombudsman will remain with the Department of Commerce.
- Funding is provided to the Office of Financial Management to complete an independent assessment of individual client needs at each Residential Habilitation Center.

If you need further information on the final budget bill ESSB 6444 or a summary of budget details by agency, visit <http://leap.leg.wa.gov/leap/budget/detail/2010/ho2010p.asp>.

Finally, the Governor has said "tough times require tough choices." As we implement these changes in services and in administrative and casework budgets and functions we will also begin planning for the 2011 to 2013 biennium, in which we expect more budgetary challenges. As we move forward, I know I can count on ADSA employees, providers and advocates to make the best with what we have and continue to be a strong voice for the growing number of vulnerable seniors and people with disabilities who need support.